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THE WHITE HOUSE
WASHINGTON

SECRET - SENSITIVE

July 27, 1966

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MEMORANDUM FOR

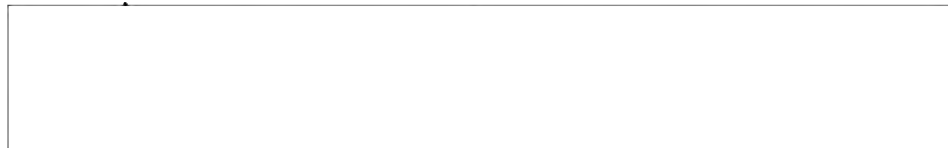
The Secretary of State
Administrator Gaud
Director Helms
Secretary Resor
Assistant Secretary Gordon
Ambassador Anderson

SUBJECT: Presidential Directives on Panama

In order that we all have a clear understanding of the directives given by the President at the conclusion of our Panama review meeting on Tuesday, July 26, I have thought it useful to recapitulate them as follows:

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2. Assistant Secretary Gordon is to establish a Contingency Planning Group and immediately to proceed to develop alternative courses of action should the treaty negotiations reach an impasse. Ambassador Irwin will give special attention to determining maximum concessions which we might make to the Panamanians, taking into consideration the requirement to retain United States control of operation and defense of the Canal and what the Congress is likely to accept. Assistant Secretary Gordon and Ambassador Irwin will work closely together in carrying out their respective assignments and both keep Ambassador Anderson fully informed.

3. Assistant Secretary Gordon, in consultation with Administrator Gaud, is to:

- a. establish a group to review actual and planned assistance to Panama with a view to developing

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1/2, 4-41.

NSC review completed

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State Dept. review completed

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and putting into effect as rapidly as feasible sound projects for economic and social development, with special emphasis on those having more immediate human impact.

- b. develop a plan for a Panama Development Authority, which Mr. Gordon will try to persuade the Panamanians to accept.
 - c. assist United States businessmen interested in private investment in Panama.
- 4. Secretary Gordon is to proceed with arrangements for further grant assistance to strengthen the National Guard.
 - 5. In order to assure full coordination within the government, Secretary Gordon is to pass on all public statements and new initiatives relating to Panama. He is to coordinate these closely with Ambassador Anderson for their possible effect on the canal negotiations.

W W Rostow

W. W. Rostow

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CENTRAL INTELLIGENCE AGENCY

WASHINGTON 25, D. C.

OFFICE OF THE DIRECTOR

66 3362

MEMORANDUM FOR: The Honorable Walt W. Rostow/
Special Assistant to the President
for National Security Affairs

SUBJECT : Security Reviews

Pursuant to your request there are transmitted herewith
Security Reviews on the following areas:

Panama
Colombia (Bogota)
Peru (Lima and Tarapoto)
Chile (Arica)
Bolivia (Santo Cruz)
Brazil (Brasilia and Crato)
Venezuela (Caracas).

/s/ D. Fity J. J. J.
for: Richard Helms
Director

Attachments

SIGNATURE RECOMMENDED:

Deputy Director for Plans

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PANAMA

1. The general political and security climate in Panama now is one of a somewhat uneasy calm. Normality has returned to Colon, Panama's second largest city, at least on the surface, after the riots and demonstrations of early June which cost the lives of two and the burning of several public buildings. In Panama City and Colon, where almost 1/3 of the population resides, there pervades a general feeling of restlessness, due to the high unemployment and very poor living conditions which exist for the bulk of the populace. Nonetheless, it appears that, barring some unexpected precipitating factor, no new manifestations should occur in the near future which would cause a breakdown in public order.

2. There are three organizations which must be considered as threats to the security of the Government of Panama:

a. The Peoples Party of Panama (PDP) is the orthodox Communist Party of Panama. It is Moscow-orientated and generally soft-lined. It has a membership of perhaps 500, with some 250 party activists. Although small, the PDP does control the important student organizations in the country, including those at the University of Panama, and through these it has the capability of causing a disproportionate amount of trouble for the government.

b. The Panamanian Revolutionary Union (URP) is a pro-Peking movement with some 60-100 members, most of them students. Although more aggressive and violent than the PDP, the party is hampered by internal divisions, lack of funds, and by rivalry with the PDP, and does not in itself pose a serious threat to stability.

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c. The Panamenista Party, although not pro-Communist, poses a threat to Panamanian stability due to the demagogic and uncertain nature of its leader, Arnulfo Arias. Twice president and twice deposed from that office, Arias has by far the greatest popular following of any Panamanian politician, and his greatest strength lies in the sectors of the Panamanian economy most stifled by poverty and want, the urban slum dwellers.

3. Friendly Forces:

a. Panama's only uniformed security force is the National Guard (GN). It currently numbers approximately 4,300 men and is a disciplined and fairly competent organization, loyal to its longtime commander, Brigadier General Bolivar Vallarino.

b. The only other security organization is the 250 man Department of National Investigations (DENI), a plainclothes investigative unit responsible to the Ministry of the Presidency and concentrated mostly in Panama City and Colon.

c. The U. S. forces in the Canal Zone must also be considered since in the event of extreme disorders that got out of the control of the Panamanian security forces, they could be employed. Their actual strength at any given time is about 10,000.

4. Panama has been wracked by civil disorders twice in recent times. In January 1964 riots broke out in Panama City in a dispute over whether a Panamanian or U. S. flag should fly over a school in the Canal Zone. In this instance the Panamanian Government of President Roberto Chiari failed for several days to commit the National Guard to quell the rioters, whose venom was directed

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primarily at U. S. personnel and property. As a result, over 20 persons were killed before the riots ended, and property damages ran into the millions. Panamanians have never really forgiven the U. S. for the killing of Panamanians by U. S. troops (even though most of the Panamanian deaths were suffered by looters caught in burning buildings, and the like), and the memory of this occasion continues to provide an emotional issue which is used to stir up anti-U. S. feelings.

5. In June of this year disorders once again broke out, this time over the unexplained death of a Communist student who had recently returned from the USSR. This time, however, the demonstrations were targetted against the security forces of Panama. In contrast to 1964, President Marco A. Robles immediately put the GN into action, and the demonstrators were aggressively battled and scattered. Of importance during these disturbances was the fact that clandestine reporting showed that the PDP leadership quickly backed away from calling for a confrontation with Government forces after efforts to incite a general strike had failed, and retreated into the background. However, younger, more militant party members, local thugs, and other youths continued to incite disorders and battle with the GN before being brought under control. In several instances during these riots the situation nearly got out of the control of the GN. This has prompted the Government of Panama to request U. S. financial assistance for the addition of 1,000 more men to the GN.

6. Currently the situation in Panama is quiet. However, the basic socio-economic weaknesses which undermine stability remain. President Robles' shaky coalition government of oligarchial parties has been unable satisfactorily to cope with Panama's serious problems. The disparity in Panamanian living standards, widespread unemployment and growing poverty, particularly in the urban areas, make the outlook for political stability bleak. The overcrowded, outdated facility inhabited by the University of Panama

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gives the PDP a ready issue with which to rally the volatile students against the government. Added to this is the Robles' government's handling of the current Canal negotiations, which has been seized upon by all shades of opposition as a lever for attacking the government.

7. Thus, there are several areas in which some incident could arise to touch off new disorders. However, the National Guard should be able to put down any new strife, unless Arnulfo Arias chose to call his followers into the streets. Thus far Arias, the one man who appears to have the ability, given the right situation, to bring down the Robles government, has contented himself with biding his time, apparently hoping to be legally called on by the people in the next elections (1968) to save Panama. Therefore, it is felt that the National Guard will be able to contain disorders which could be triggered by a variety of issues in this volatile climate.

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COLOMBIA

1. The political and security climate of Colombia is more stable now than at any time during the past year and is expected to remain substantially unchanged through the inauguration of President Lleras on 7 August. Bogota has experienced a few isolated terrorist acts, student demonstrations and a "land invasion" (politically inspired squatting), but there have been no major or uncontrolled disturbances in Colombia this year. While the Colombian security forces cannot guarantee foreknowledge of plans or protection against isolated acts of terrorism, it is believed they can control practically all organized disturbances and can detect any major plans for disruptive or terrorist actions by organized groups. Organizations capable of mounting acts of violence in selected areas are the following:

- a. The Communist Party of Colombia (PCC), the orthodox, Soviet-line party, with about 7,000-8,000 active members.
- b. Communist Party of Colombia/Marxist-Leninist (PCC/ML), the Chinese-line party, with about 2,500 active members.
- c. Army of National Liberation (ELN), a pro-Castro revolutionary guerrilla group with about 100 men in the hinterland.
- d. Worker-Student-Peasant Movement (MOEC), a pro-Chinese revolutionary group, with about 500 active members.
- e. National Federation of University Students (FUN), which is controlled principally by pro-Chinese Communists but is made up of many kinds of leftist and extremist students. (Students, and especially the FUN, have been the most successful of all Colombian groups in creating disturbances in urban areas, especially Bogota.)

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f. Although non-Communist the National Popular Alliance (ANP) of former dictator Rojas Pinilla, which polled almost 30 percent of the vote in the presidential election in May, also has the capability of mounting disorders.

2. Colombia has a background of politically inspired violence which, since 1947, has claimed the lives of perhaps as many as a quarter of a million people. Gangsterism and banditry, principally in highland rural areas, carried on by those who have known no other existence for 15 years, still flourished in 1961 despite efforts at suppression by the police and army. The problem was further compounded by Communist efforts to influence or establish control over bandit groups. Persistent efforts by the military, aided by the police, since 1961 have neutralized the threat to the stability of the government and to the economy of the country posed by the bandits and guerrillas. As indicated above, however, several organizations have the capability of mounting campaigns of violence.

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3. There is currently no indication that extremist groups have formulated plans of action for the inauguration, nor have unusual movements or actions by subversive individuals been noted. However, this [redacted] expects symbolic attacks, demonstrations, "land invasions," and other similar protest actions aimed at the inauguration of Lleras as president. If a high-level official is a member of the U. S. delegation to the inauguration, the principal Communist and extremist organizations could be expected to step up plans for disturbances and terrorist activities. This assessment is based on patterns of activities of these groups in the past.

4. As of mid-July the security services were just initiating preparations for the inauguration and were awaiting firm indications from the presidential palace concerning plans and schedules. Colonel Jorge Robledo Pulido, Chief of Staff of the Military Institutes Brigade (BIM) - Army units responsible for security in Bogota under the present

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state of siege decree) and former chief of Army Intelligence (E-2), will be the coordinator for all security matters concerning the inauguration. The Administrative Department of Security (DAS) and the E-2 will be responsible for providing intelligence support. The National Police, the BIM troops, and to some extent the DAS agents, are responsible for crowd control.

5. In terms of planning, we may expect the following security measures by the Colombian security forces. The Public Order Division of DAS plans to set up a briefing room for daily meetings with security representatives of the visiting delegations. DAS is also preparing a preventive arrest list such as the one used before the visit of General De Gaulle to Colombia in 1964, when about 300 undesirables were placed under preventive arrest. The security services will probably set up road blocks for controlling travel and possible transport of arms. The Army will place sharpshooters in strategic buildings along the routes used. In addition to Army troops, about 3,000 policemen, plus the traffic police, are available to maintain order in Bogota. An additional 27,000 policemen are located throughout the country. DAS has a total of about 2,000 men, located in key cities and towns.

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PERU

1. The political and security climate of Peru has remained stable since the conclusion in early 1966 of the Government's successful campaign against the guerrilla uprising, which began in June 1965. President Belaunde has been in office since 1963 and his term runs until 1969. Although municipal elections are scheduled for November 1966, there is no indication that these will be the occasion for any abnormal outbreaks of violence. There are isolated famine areas in the eastern portions of Peru which may see some peasant unrest; however, the Government is taking measures to relieve the food situation. The leaders of the Movement of the Revolutionary Left (MIR), which conducted the guerrilla activity in 1965, have either been killed, are imprisoned or are in other countries. Organizations capable of mounting acts of violence in selected areas are the following:

a. The Communist Party of Peru (PCP), with about 5000-6000 active members, is split into a Soviet-line faction and a Chinese-line faction. The Chinese faction is the larger group but is itself fragmented by internal power struggles.

b. The Movement of the Revolutionary Left, (MIR), with a nationwide membership over 1,000, initiated guerrilla action in the summer of 1965. Only 125-150 members were actively engaged in the fighting and by early 1966 they had been decimated. The top field leaders are dead and almost all the Lima-based urban leaders in prison.

c. Minor Leftist Parties with a total maximum strength of 2000 attract the socially maladjusted, the criminals and the anarchists. They have no ideological cohesion and although they are capable of sporadic, uncoordinated activities, they concentrate most of their energies on bank robberies.

d. The Revolutionary Student Front (FER) controls most of the Peruvian universities. They occasionally have engaged in violent actions but are more likely to

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limit their activities to mass protest demonstrations. However, the oldest and best known Lima University, San Marcos, is controlled by the Chinese faction of the Communist youth which represents the activist arm of the Communist Party.

2. Communist oriented and trained groups in Peru continue to pursue their objectives of subverting labor, student, peasant and other organizations with the ultimate aim of overthrowing the present constitutional government. However, for the present, given the effective security measures of the government against the MIR, the leaders and membership of all the revolutionary left parties are off balance and fearful and not capable of effective action.

3. The Minister of Government and Police is responsible for maintaining public law and order. He fulfills this responsibility through the Civil Guard, the Peruvian Investigation Police and the Republican Guard. The Peruvian police forces are capable of controlling most urban disturbances. Primary responsibility for crowd control and security in Lima rests with the 20,000 man Civil Guard which is equipped with both motorized and horse patrol facilities. It is supported by the Republic Guard with 3,800 personnel and the investigative facilities of the 3,500 man Peruvian Investigations Police. The latter has the responsibility of keeping track of subversives and has demonstrated considerable ability in this area. They maintain good records on subversives and have been quite successful in identifying, locating and detaining subversive elements during times of crisis. The rural capabilities of the security forces are limited, largely due to the lack of PIP coverage in these areas, lack of effective communications and poor coordination.

4. Cooperation between the three civilian police agencies of Peru is not good, nor do the civilian and military forces coordinate effectively.

5. The Armed Forces are fundamentally apolitical in action and outlook. They are strongly anti-Communist and western-oriented and the officer corps is of high caliber. Current strength of the Armed Forces is as follows:

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	<u>Officers</u>	<u>Enlisted Men</u>
Army	4,000	31,000
Air Force	950	5,150
Navy	675	8,850

6. The town of Tarapoto, with a population of approximately 20,000, is located in the Department of San Martin. The area is fertile farm region with principal crops of cotton, tobacco, sugar cane and coffee. The airfield, located just outside the town, is serviced by the Peruvian Air Force commercial line, SATCO, and the private Faucett airline. It can handle up to C-118 aircraft during daylight only. Although details are not immediately available, there apparently are both military and civil air communications facilities at the airport. During the guerrilla activity in 1965, there were no major clashes between government forces and the MIR in the Northern Zone which would include Tarapoto. However, there were reliable reports of guerrilla camps in the area and, as recently as February 1966, an armed band ambushed a Guardia Civil patrol within 200 miles of Tarapoto.

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CHILE

1. Chile's northernmost port city of Arica was acquired in 1929 following territorial disputes among Peru, Bolivia, and Chile resulting from the War of the Pacific (1879-1883), which Chile had won. Acquisition of Arica left a residue of controversy between Chile and Bolivia which is manifested in Bolivian aspirations to regain Arica and access to the sea. These aspirations are frequently exploited by extremist Communist or nationalist groups in both Peru and Bolivia. Diplomatic relations between Chile and Bolivia were broken in 1962 as a result of a dispute over water rights of the Lauca River, which originates in Chile and flows into Bolivia. After 23 years of unsuccessful negotiations, Chile began an irrigation project to divert water. Bolivia promptly suspended relations and appealed to the OAS. Bolivia proposed mediation, but Chile insisted on arbitration by the International Court of Justice. The impasse continues. For both countries the dispute has strong nationalistic overtones which overshadow the immediate issue of Lauca.

2. Although the port of Arica is serviced by rail connections, the Pan American highway and two small airports, it has failed to develop into a major shipping center. Its proximity to the Peruvian and Bolivian borders and the looseness of border control procedures has made Arica a center for smugglers. The Agency also has had reports that in the past Arica was used by Castroite and Communist extremists for entry into Bolivia and Peru. This activity, however, was not of great magnitude due to Arica's isolation from the mainstreams of Latin American and international subversive political activity.

3. Arica has a population of 42,452. In the 1964 national elections the Communist-Socialist presidential candidate obtained 26,048 votes in Arica and adjoining areas, in comparison with 24,793 for Frei and the Christian Democrats. There is no university or strong student activity in Arica. The labor unions in the Arica area, predominantly mining, are well organized and are controlled

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by the Communists and Socialists. The slum dwellers in the area also are organized and controlled largely by the Communists and Socialists. Although there are extremist, pro-Peking political movements in Chile, these are minimal in strength and influence and not aggressively active in Arica.

4. Despite the strong Communist-Socialist influence in the area, political disorder in the form of riots and demonstrations in Arica has been minimal and parochial in view of its isolation from the political and geographic centers of Chile. Police and security forces in Arica consist of 26 officers from Investigaciones, the Chilean security and criminal investigative service, some 350 Carabineros (police), and some 300 to 500 military personnel. The overall strength of Investigaciones is 2,152 officers who are deployed throughout urban centers in Chile. It is considered as a highly professional and effective service by Latin American standards, with modern equipment. Apart from criminal matters the service monitors political and labor activities. Its chief is Director General Emilio Oelchkers, a career officer. The strength of the Carabineros is 23,000, headed by General Vicente Huerta Celis. The principal functions of the Carabineros are to maintain public order, help safeguard borders and coastal regions, traffic and other normal police matters. The Carabineros is one of the most efficient police forces in South America; many of its officers have been trained by the U.S. and AID has a relatively large assistance program with the Carabineros involving training, equipment and advisors.

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BOLIVIA

1. The political and security climate of Bolivia has been uncertain under the Military Junta Government, which came to power in 1964. Two major outbreaks of violence in 1965 were put down by the army at a considerable cost in lives. Presidential and congressional elections were held on 3 July 1966 without major incidents of a security nature, and the outlook for the inauguration of President-elect Rene Barrientos on 6 August and the period immediately thereafter now appears to be favorable.

2. Government forces have the capability to detect major plans for disruptive or terrorist actions by organized groups and can normally control organized disturbances in the main cities. However, Bolivian security forces cannot guarantee foreknowledge of plans or protection against isolated acts of terrorism and are not well geared to counter such acts. Organizations capable of mounting acts of violence are the following:

a. The Communist Party of Bolivia (PCB, pro-Moscow), the orthodox, Soviet-line party with about 3,000 - 4,000 active members.

b. The Communist Party of Bolivia (PCB, pro-Peking), the Chinese-line party with about 500 - 1,000 active members.

c. The Revolutionary Workers Party (POR), a Trotskyist party which is divided into two groups with a total membership of about 1,500 of which approximately 250 are hard core members.

d. The National Liberation Front (FLIN), a Communist front organization responsive to PCB, pro-Moscow, which has few members itself but can influence leftist extremist students, workers, and others in significant numbers under favorable conditions.

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e. The National Leftist Revolutionary Party (PRIN), a leftist party which frequently collaborates with Communists, with perhaps as many as 20,000 members throughout the country.

f. The Nationalist Revolutionary Movement (MNR), a leftist political force, now divided into several factions, which ruled the country until it was overthrown by the revolution of November 1964. Although the effective strength of the MNR under present conditions is difficult to measure, one indication of influence, if not actual membership, of the MNR is the combined 142,000 votes (about 14% of the total) that it received in the 3 July elections. It has a capability for violence in the Santa Cruz area.

g. The Bolivian Socialist Falange (FSB), a strongly nationalistic party with fascist tendencies which has a long history of plotting and acts of violence, including an attempted coup d'etat in 1959 and guerrilla action in eastern Bolivia in mid-1964 in opposition to the MNR government then in power. Although not now overtly hostile toward the government, the FSB, with about 10,000 members throughout the country, secured over 138,000 votes in the elections and has a capability for violence that cannot be discounted, particularly in the Santa Cruz area.

3. Bolivia has witnessed much politically inspired violence since the revolution of 1952 which swept the MNR to power. Centers of violence have been the principal cities and the mining region southeast of Oruro. In May 1965 a fire fight between armed workers and the army in the capital city resulted in about 100 dead, a number which was equaled the following September when the army put down attacks by workers at the tin mining center of Siglo Veinte. This

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was accompanied by an operation that was only partially successful in rounding up the thousands of arms that have been in the hands of workers and peasants since the 1952 revolution. Students under certain conditions pose perhaps an even greater security threat than do workers because the government is most reluctant to use force against them. Thus, the provocation potential of the student element is very strong, and student plans for violence are often difficult to detect much in advance.

4. There are currently no indications that extremist groups plan acts of violence during the period surrounding the presidential inauguration on 6 August. However, on the basis of past performance, some protest demonstrations, propaganda rallies and perhaps symbolic sabotage actions by opposition groups can be expected, at least on a small and isolated scale. While such demonstrations probably would be designed primarily for propaganda purposes, the possibility of an incident touching off acts of violence would be ever present and difficult to foretell. The provincial cities of Cochabamba and Santa Cruz, which are often visited by United States officials, have the same basic security hazards as La Paz, except for the flat terrain which permits some alternate routes through the cities to be used. A further security consideration is the sizeable following of the mutually antagonistic MNR and FSB in Santa Cruz.

5. Since the overthrow of the MNR government in Bolivia in November 1964 by a military coup d'etat, the Armed Forces numbering 18,000 men have had the primary responsibility for internal security. The Bolivian Armed Forces are among the least effective in the hemisphere. Most army units devote a major portion of their military duty time to agriculture, road construction, and other economic activities.

6. The Bolivian public order force is composed of: the National Police (Guardia Nacional) responsible for maintaining law and order;

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the traffic police (Transito); and the Criminal Investigation Division (DNIC, Departamento Nacional de Investigacion Criminal). These three groups, with a combined strength of approximately 5,000 are responsible to the Minister of Government. While the police force has the primary responsibility for maintaining law and order, the military can of necessity be expected to take over in any serious situation. There has been a traditional rivalry in Bolivia between the police and the Armed Forces stemming from the partial decimation of the Armed Forces after the 1952 MNR revolution, with the latter in the ascendancy since the 4 November 1964 military coup.

7. Although the Armed Forces and the civilian security elements have the capability of containing most local security problems on a short-term basis, the GOB would have difficulty in handling a serious security situation over a prolonged period of time given the overall inefficiency of the Armed Forces, plus the downgraded status of the civilian police and security units.

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BRAZIL

1. The political and security climate of Brazil in mid-1966 is considered stable and it is expected to remain substantially unchanged during the second half of 1966.

2. Brazil has experienced several recent acts of terrorism which were directed against United States property in the country. A bomb exploded in the corridor of the American Consulate in Belo Horizonte on 20 September 1965. A small explosive device was set off at the USIS Information Center in Brasilia on 29 June 1966. An arson attempt was directed against the Belo Horizonte Bi-National Center on 14 June 1966. On 26 July 1966 a bomb of undetermined size was exploded at the USIS theater in Recife. Although no American injuries were sustained in the above terrorist acts and damage in most instances was minor, there exists no guarantee that advance notice and adequate protection of United States property can be obtained against isolated terrorist acts. On the other hand, the Security Forces of Brazil are considered capable of controlling all organized disturbances and can detect any major plans for disruptive or terrorist actions by organized groups. The most serious act of terrorism which coincided with the bombing of the USIS theater in Recife on 26 July 1966, was an airport explosion in Recife. Two Brazilians died as a result of this explosion which occurred within 15 minutes of the scheduled arrival of Marshal Costa e Silva, the Government candidate for the Presidency in the October elections.

3. Subversive organizations with limited capabilities of mounting acts of violence in selected areas of Brazil are the following:

a. The Brazilian Communist Party (PCB), the orthodox, Soviet-line party with approximately 20,000 hard-core members and an estimated strength of 100,000 sympathizers.

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b. The Communist Party of Brazil (CPB), the pro-Chinese Communist-line party with an estimated hard-core numerical strength of 500. Some of its younger elements have undergone guerrilla warfare training in Communist China and have returned to Brazil.

c. The Peasant Leagues were an effective force in Brazil only from roughly 1961-1963. They were capable of rural agitation, mostly squatting, occasionally a small peasant strike, even more occasionally a small fire-fight against local owners. While its leaders claimed the Leagues had up to 20,000 members (or more) in fact, the Leagues had only a small core of full time workers, very loosely organized peasant groups on the farms and little real political power. It also attempted to set up a clandestine guerrilla arm of about 30-100 members but quickly ran afoul of the law in this effort. Since the revolution of March 31, 1964, with its prominent leaders either in exile, in jail, or in hiding, the Leagues have collapsed.

4. The following political and institutionalized categories for diverse reasons have varied potential to upset the heretofore described stability found in Brazil:

a. Because the label hard-line has been indiscriminately applied to all manner of groups in Brazil, there is widespread confusion both in and outside of Brazil about what the label signifies. In its broadest meaning, when used as an adjective, it means any group in favor of rooting out corruption and Communism from Brazilian political life. In a narrow sense, when used as a noun, it refers to a small, predominately military group which played an important role in the 31 March 1964 Revolution and which now insists that the Brazilian Government not be returned to any of the groups which ran it prior to the Revolution, i.e., the Vargas inspired forces.

b. There are a smattering of extreme right wing groups in Brazil, none of which carry much political weight. The

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well-known right wing leaders such as retired Admiral Sylvio Heck, and retired Admiral Penna Botta are capable of occasionally rating a headline in a Brazilian newspaper; however, they have little following and almost no political power. These extremists consider themselves members of hard-line groups but they are not members of Hard-line.

c. Student discontent in Brazil is presently at a high level because (1) the Brazilian Government has largely ignored the students and their demands (2) many student politicians recall with longing the Goulart era when they participated actively in national politics and (3) the most dynamic student organizations in Brazil are under the leadership of far left wing students.

d. Labor Union discontent matches student discontent largely for the same reasons -- their demands are ignored, they have lost their position of political importance, many of their leaders are far left wingers. Union discontent has been flamed by the general unhappiness with the rising cost of living which has accompanied the Government's stabilization program.

e. The organization which best represents the student and labor unrest is Popular Action, a student dominated, clandestine, radical left wing group. Most of its members are sincerely dedicated to ridding Brazil of what they consider its present repressive government. While the group claims to be, and probably largely is, non-Communist, many of their plans and activities are virtually identical to those of Brazil's Communist Party. There are other small non-Communist extremist left wing groups in Brazil possibly capable of isolated incidents of harassment but of small political importance.

5. The overall strength of the Security Forces (not including Air Force and Navy) is approximately 310,000. A breakdown shows

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150,000 in the Brazilian Army, 105,000 in the militarized police force, and 50,000 in the civil police force.

A. Situation report on Brasilia, Federal District:

(1) Airfields

The Brasilia Airfield and the Brasilia Military Airfield, which are located side by side, handle commercial jet aircraft on a daily basis. The strip is of sufficient size to handle 707s.

(2) Hospital

There is one hospital in Brasilia, a government-operated one, which is, according to the Brasilia post report, believed adequate only for out-patient treatment and in-patient treatment for emergencies. There are 50 to 60 doctors on the staff, approximately 40 nurses and 150 nurses aides. The hospital now has 500 beds crowded into a space designated for 260 beds because it continues to be the only medical facility of any substance in the Federal District.

(3) The subversive presence in Brasilia is:

(a) The Brazilian Communist Party (PCB) evidently small (perhaps 100 members) and apparently largely inactive.

(b) The Communist Party of Brazil (CPB) probably even smaller than the PCB. However, it should be noted that the CPB has been reported on various occasions to be carrying out some military type training in the state of Goias, which surrounds Brasilia, and the CPB follows the violent Chinese line of Communism.

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(c) POLOP (Workers Politics) -- a student organization evidently quite similar to the CPB in its thinking. It was overtly active in Brasilia prior to the 31 March 1964 Revolution but has become a clandestine organization since that time.

(d) AP (Acao Popular) -- another clandestine student organization with some strength at the University of Brasilia.

(4) Security Forces

Military. The Eleventh Military Region is headquartered in Brasilia. The Battalion of Presidential Guards is stationed in Brasilia. A regiment of infantry is stationed in Goiania, Golas, roughly 90 miles away.

Police. The DFSP is headquartered in Brasilia. Most of the DFSP facilities in Brasilia are used for national police training, support and administration. The DFSP does have an investigating section; however, this section, while maintaining a number of employees, carries out few operations. Also located in Brasilia is a Police of the Federal District which is under the control of the Secretary of Public Safety of the Federal District. The DFSP and Federal District police have cooperated in the past to provide security for chiefs of state visiting Brasilia such as Charles de Gaulle, the Shah of Iran and others.

(5) Local Officials

The entire upper echelon of the Brazilian Government is headquartered in Brasilia. It is the location of the President, the Supreme Court and the Congress. The Mayor is Engineer Plinio Catanhede. The Commander of the Eleventh Military Region is Brigadier General Jose Nogueira Paes. The Commander of the Presidential

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Guard Battalion in Colonel Oswaldo Carvalho. The head of the DFSP is General Riograndino Kruel. The Chief of the Police of the Federal District is Colonel Cabral.

B. Situation report on Crato, Ceara, Brazil.

(1) Airfield

(a) One (1) in Crato which handles Varig DC 6B, DC 3, and C-46's in regularly scheduled weekly flights.

(b) One (1) outside of Juazeiro de Norte about 7 to 11 miles east of Crato which appears to be a large facility. No data is available on actual size of strip. Latter field handles scheduled Varig DC-3 flights.

(2) Population

About 15,000 to 20,000 on Northern slope of Serra de Araripe, 250 miles SSW of Fortaleza. It is a rail terminus and important commercial center for agricultural produce of the interior (cattle, hides, skins, cotton, sugar, rubber, tobacco and sugar milling). It has an experimental livestock institute, corn storage plant, and electrical equipment factory.

(3) Terrain

The area of the airport is from 0 to 100 meters in altitude and appears relatively flat. There are hills of 100 to 200 meters high, 3 to 8 miles west and south of airstrip.

(4) Security Forces

The Headquarters of the Fourth Army is located in Recife. The Army complement totals 17,000. Some of

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this force could be made available as a security guard in Crato. There is a small state police force of probably 5 to 10 men in Crato. The main army units in Forteleza consist of one (1) undersized infantry battalion and one (1) undersized regiment in Recife with support troop. The unpaved road complex to the interior of Ceara is so bad that troop movement to the area to meet a 24-hour requirement is only possible by airlift. Forteleza and Recife are about 1:40 from Crato by DC 6B.

(5) Communications

State police, Varig and the Department of Civil Aviation of Brazilian Government and Brazilian Air Force (FAB) and, possibly, the Department of Telegraphic Communication (DCT) of the Brazilian Government should have radio or cable links with Crato. Messages would take 6 to 8 hours to transmit. Crato has at least two (2) commercial radio stations (Radio Araripe and Radio Educadora).

(6) Subversive Potential

There is very little evidence of PCB, CPB, or Peasant League activity in area. In April 1965, however, there were signs of "Yankee Go Home" painted on building walls located near new, large industrial developments.

(7) Hospital Facilities

The medical facilities in Crato are probably limited to one or two competent doctors and an aid station. The closest hospital is probably located in Forteleza or Recife.

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(8) It should be noted that there is a dearth of information concerning the Crato area because of its relatively isolated geographic position. However, it is a part of the Northeast area which is one of the major depressed areas in the hemisphere, and thus has been in the past fertile grounds for agitation and dissension.

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VENEZUELA

1. The political and security situation in Venezuela is more tense at the present time than it has been during the past two years. This is due to the fact that political and economic groups of both the extreme left and the extreme right see opportunities for advancing their own causes at the expense of the current left of center government of President Leoni.

2. The extreme left split recently over the policy imposed by Moscow to abandon armed insurgency and carry out only "political action", consisting of attempting to make alliances with non-Communist parties. The principal leftist groups are:

a. PCV - The Communist Party of Venezuela (PCV) with approximately 20,000 adherents.

b. MIR - The Movement of the Revolutionary Left (MIR) with approximately 3,000 men.

c. FALN - The Armed Forces of National Liberation (FALN) controlled by the above two parties, consisting of approximately 1,200 men.

Recently leaders of the "hard line" of these parties (those advocating the continuance of terrorist tactics) broke away from the parent parties and formed a new group, the General Command of the FALN, which is threatening to resume terrorist actions in order to win national and international Communist recognition and support. The FALN controlled approximately 1,200 guerrilla fighters prior to the split and it is estimated that approximately 20% of these adhere to the dissident General Command. They are tough, trained and experienced fighters and terrorists who are anxious to renew their terrorist activities.

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The following incidents have taken place recently in this regard:

a. Reports received on 14 and 21 July indicated that Venezuelan Communists were becoming convinced that economic and political conditions may be ripe for them to stimulate a military uprising. On 23 July four junior army officers stationed in Maturin were arrested for conspiring against the government. According to the government they planned to seize control of the army garrison in Maturin and turn it and its arms over to other officers who had been recruited by Communists. The government learned of the plot and arrested the principals.

b. Approximately 75 guerrillas from the General Command moved from the interior of Venezuela into Caracas during the last week of July. Some 20 of these have been arrested. An additional 20 hard line guerrillas not belonging to the General Command have taken up residence in the men's dormitories of the Central University of Caracas. These groups are armed and recently committed at least four robberies to acquire funds and provisions.

c. On 24 July citizens of the western state of Falcon reported that between 20 and 40 armed and bearded men disembarked from launches on the coast and moved into the nearby hills. The Venezuelan government is attempting to apprehend this group.

d. During the last week of July leaders of the General Command made plans to carry out terrorist activities in the form of small but spectacular acts of violence in the Caracas area.

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3. Plotting from the extreme right stems mainly from conservative political and economic groups who oppose the present regime's legislative program. Their opposition is heightened by the example of the recent successful military coup in Argentina. None of this dissatisfaction is serious enough in itself to threaten the stability of the government, but when viewed against the back-drop of current leftist activity, they constitute a situation of definite unrest and uneasiness.

a. Two laws recently proposed by the administration aroused strong feelings within the business community and within conservative and Catholic Church circles. One law calls for an increased income tax and a stiff tax on the extractive industries (petroleum). The other law goes further than have past laws in separating Church and State and was proposed without the Church's approval. As isolated incidents these proposed laws and the resulting strong feelings would be relatively unimportant but in the context of the present situation they assume added importance.

b. Military officers have expressed dissatisfaction with the proposed taxes and with the Venezuelan government's so-called tendency toward socialism. These officers cite the government's recent release from prison of several Communists and the government's apparent slowdown in the military action against the rural guerrillas as further evidence of its softness on Communism. A recent report indicated that some high echelon leaders of the army have considered the possibility of attempting a "preventive coup" to crush any attempt of leftist officers to seize power.

c. The recent coup in Argentina provoked an emotional reaction in the Venezuelan army that adds to the pro-coup feeling.

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4. Venezuela has experienced the largest concentration of Cuban-inspired guerrilla activity of any country in Latin America in recent years. However, by mid - to late 1965 the Venezuela Government had effectively contained guerrilla and terrorist activities of the FALN but had not succeeded in completely eliminating such groups. In addition to the recent resurgence of leftist activity and the increasing dissatisfaction among rightist elements, there has been a decrease in the effectiveness of the Venezuela security forces, which are:

a. DIGEPOL (Political Police) composed mainly of AD supporters. It is a 1200 man civilian security force primarily responsible for the internal security of Venezuela. It is organized on a regional basis. DIGEPOL is not considered to be a highly efficient police service, although its effectiveness in countering subversive activities showed definite improvement during early 1966 and it was able to arrest many Communist leaders. However, in May 1966 a shakeup in the leadership took place which resulted in the removal of key officials of the organization. Consequently, DIGEPOL as an effective counterinsurgency, anti-Communist arm of the Government has been reduced drastically in effectiveness, although the organization of the DIGEPOL state zones in the interior of the country has been left more or less intact. The biggest changeover, which is continuing, has affected the approximately 600-man force in Caracas which is virtually leaderless and reportedly demoralized and uncertain of its future.

b. PTJ (Criminal Police). This organization resembles the FBI in purpose and has primary responsibility for criminal investigation and carrying out scientific police investigations. The PTJ, basically a plain clothes investigative agency, acts after a crime has been committed and handles all crimes except those specifically involving national security. Total PTJ personnel number approximately 1500 with the majority located in the Caracas area.

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c. National Guard (FAC). The National Guard is a military force of approximately 17,000 men. It has the following responsibilities: to counter rural guerrilla activities throughout Venezuela; guard frontiers, ports and airports, and protect oil zones and other resources. The National Guard maintains good morale among its members and is the most dependable security force in Venezuela. Manpower and equipment shortages hamper its ability to handle emergency operations, especially in the interior. The Government's assignment of the primary counterinsurgency responsibilities to the Army has adversely affected National Guard morale to some extent.

d. SIFA. The main functions of SIFA are: detection of subversion in the Armed Forces; collection and use of intelligence on counter guerrilla activities throughout Venezuela. It has a limited responsibility in public law enforcement. SIFA also conducts covert operations against subversive civilian circles. It is a relatively small force composed primarily of military personnel but does have a small civilian section. SIFA cannot be considered a very effective counter-subversion/terrorism arm of the Venezuelan Government.

5. It is estimated that the current capabilities of the leftist forces, particularly the FALN General Command, would be sufficient to plan terrorist activities against prominent figures in Venezuela without these plans being detected by the local security forces. The General Command is in desperate straits and would undoubtedly use any opportunity to carry out a spectacular act which would enhance its prestige in leftist circles. It should be recalled that in 1964 an American Army Colonel stationed in Venezuela was kidnapped by the FALN and held as a hostage in an effort to prevent the execution of a Viet Cong terrorist in Saigon.

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6. It is expected that the Venezuela Government would make all efforts to set up strict security precaution for any foreign visitor and that a great deal of reliance would be placed upon not only the civilian security officers but the Venezuelan Army. As an example, a large number of Army troops were brought to Caracas for the visit of President Kennedy in 1961. However, since that time the capabilities of the FALN for well planned and audacious terrorist actions has improved considerably, while the ability of the Venezuelan Government to detect and frustrate such plans has probably remained at about the same level.

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